

Maureen Gaughan  
PO Box 6729  
Chandler, AZ 85246-6729  
(480) 899-2036

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF ARIZONA

|                   |   |                          |
|-------------------|---|--------------------------|
| In re:            | ) | Chapter 7                |
|                   | ) |                          |
| TODD, RUSSELL B   | ) |                          |
| TODD, GERALDINE R | ) | No. 10-40990-PHX-RTB     |
|                   | ) |                          |
|                   | ) |                          |
|                   | ) | NOTICE OF TRUSTEE'S SALE |
|                   | ) |                          |
| <u>Debtor(s)</u>  | ) |                          |

NOTICE IS HEREBY GIVEN that property belonging to the estate of the above-named debtor(s) will be sold to the person making the highest and best offer on April 29, 2011 at 8:30 a.m. at 230 N. 1<sup>st</sup> Ave Ste 102 Phoenix, Arizona.

Property to be sold: The Estate's interest in the Debtors' one half interest in the mineral and royalty interests set forth in the attached Exhibit A.

Purchase price: \$4,050.00

Terms of Sale: Cash or Cashier's Check

To: Kenneth Dorband or to any person making a higher and better offer.

The sale will be free and clear of all liens.

The property may be viewed at the following place and time: Contact Trustee

There is not an appraisal of the property.

The Property will be sold "as is, where is" with no warranties or representations made or implied. Prospective purchasers are encouraged to personally inspect and perform their own due diligence of the property being sold. All sales are subject to sales tax unless the property being sold is tax exempt or a resale number is used as proof of exemption. Buyer will be responsible for all costs of sale, including transportation costs.

Any person opposing the sale shall file a written objections on or before five days prior to the sale date with the Clerk of the U.S. Bankruptcy Court, 230 N. First Ave., Phoenix, AZ 85003 and mailed to the trustee, Maureen Gaughan, at the following address: PO Box 6729, Chandler, AZ 85246-6729.

If a person timely objects in writing and a hearing is requested but has not yet been conducted by the scheduled sale date, bids will still be taken and the sales procedure followed. The closing of the sale will be dependent upon the outcome of the Court hearing on the objection.

/s/ Maureen Gaughan  
Maureen Gaughan, Trustee

|  |     |                                   |                 |            |        |         |
|--|-----|-----------------------------------|-----------------|------------|--------|---------|
| NOVUS Operating, LLC<br>721 Justin Road, Suite 101<br>Rockwall, TX 75087 | Pay | Eighty-seven dollars and 29 cents | To the Order of | 01/12/2011 | AMOUNT | 5916.29 |
| Novus Canada Corp<br>c/o Morgan Chase, N.A.<br>11100 W. Century Blvd.    |     |                                   |                 | 01/12/2011 | AMOUNT | 5916.29 |

[illegible]

1. **General Information:**  
 Name: [Redacted]  
 Address: [Redacted]  
 City: [Redacted] State: [Redacted] Zip: [Redacted]  
 Date: [Redacted]

2. **Financial Information:**  
 Net Worth: \$[Redacted]  
 Annual Income: \$[Redacted]  
 Assets: [Redacted]  
 Liabilities: [Redacted]

3. **Employment History:**  
 Employer: [Redacted]  
 Position: [Redacted]  
 Dates: [Redacted]

4. **Education:**  
 Institution: [Redacted]  
 Degree: [Redacted]  
 Year: [Redacted]

5. **References:**  
 Name: [Redacted]  
 Address: [Redacted]  
 Phone: [Redacted]

6. **Comments:**  
 [Redacted]

[illegible]

A total x3



# VICTORY ENERGY CORPORATION

220 Airport Road  
Indiana, PA 15701

Telephone (724) 349-6366  
Fax: (724) 349-6649

E-Mail: victory@victoryenergycorp.com

December 2, 2008

Russell B. Todd  
10925 West Sequoia Drive  
Sun City, Arizona 85373

RE: Gas Well Royalty Division  
Brookfield Unit # 1 well

Dear Mr. Todd:

Victory Energy Corporation began drilling the Brookfield #1 natural gas well on August 5, 2008. This well is located in Brookfield Township, Tioga County, Pennsylvania. The Commonwealth of Pennsylvania permitted the well to include 320 acres surrounding the well - referred to as the "well unit." The gas well was permitted for drilling to penetrate the Oriskany gas formation, which is located approximately 5,000 feet below the surface. After carefully reviewing the well logs for this well, it was determined that a formation above the Oriskany had greater developmental potential than the Oriskany. Therefore, the decision has been made to complete the Marcellus formation rather than the Oriskany formation.

The Brookfield #1 well will be completed once we receive a water usage permit from the Susquehanna River Basin Commission (SRBC), as required by law for completion of the Marcellus formation. Presently, the average time required to obtain these permits is approximately six (6) months. However, the commission is meeting this month to act upon proposed changes to these permit requirements. We will update you as a later date on the outcome of this meeting and how it will affect the Brookfield #1 well completion.

In the meantime, a portion of your property has been included in this "well unit." Therefore, upon completion of a successful well, you will be entitled to receive royalty distributions. These distributions are based on the proceeds collected from the sale of the gas from the Brookfield #1 well once production begins. Your percentage of the distribution is based upon the proportionate amount of acreage you own in the total "well unit." Please review the attached "well unit" information for further clarification.

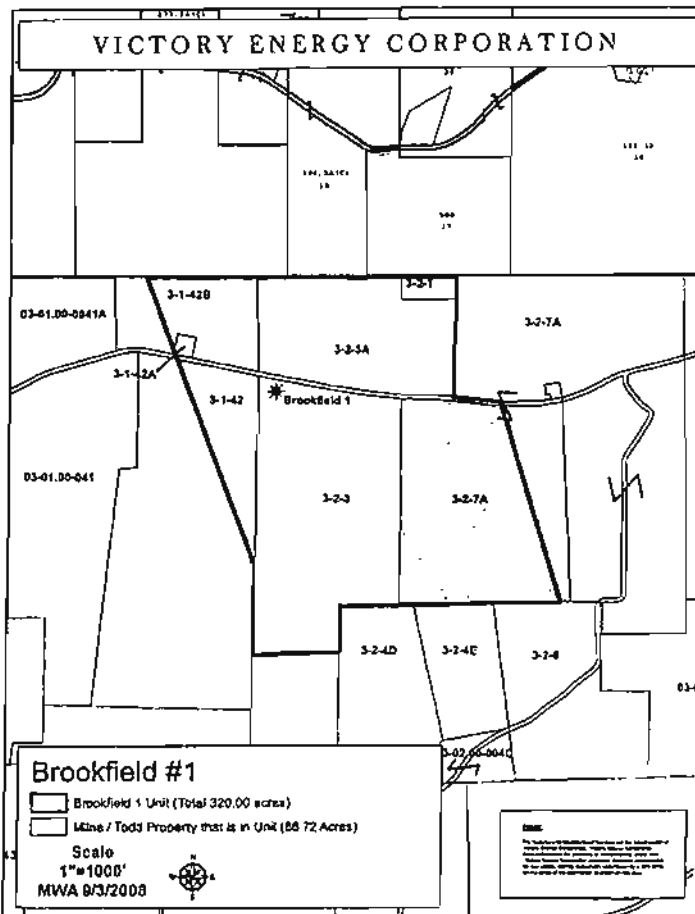
Victory Energy Corporation will be drilling additional natural gas wells in the area. In each instance, "well units" will be established. The landowners in each well will be paid royalty distributions based upon their ownership in the unit.

Thank you for your cooperation in leasing your property with Victory Energy Corporation. We here at Victory are looking forward to a successful well completion and many years of "royalty distributions" from the Brookfield #1 well.

Sincerely,

*Lynell A. Doverspike*  
Lynell A. Doverspike  
President/Owner

Enclosures



## UNIT OPERATION DESIGNATION

### BROOKFIELD UNIT # 1

Between:

Brookfield Properties; Susan Geist;  
Timothy Shreiner, Etal; Patricia Milne Etal;  
and Daryl Heller

and

Victory Energy Corporation  
220 Airport Road  
Indiana, Pennsylvania, 15701

DATE: November 15, 2008  
TOWNSHIP: Brookfield  
COUNTY: Tioga

## UNIT OPERATION DESIGNATION

WHEREAS, Brookfield Properties of 16 East Brubaker Valley Road, Litz, Pennsylvania, 17543, Susan Geist of 180 North Street, Westfield, Pennsylvania, 16950, Timothy Shreiner, Kerry Lapp, Gingrich Builders and Ricky Esh of 1846 Krystle Drive, Lancaster, Pennsylvania 17602, Patricia Milne of 104 Hoffer Drive, Webster, New York 14580 and Russell Todd of 10925 West Sequoia Drive, Sun City, Arizona 85373; Daryl Heller of 16 East Brubaker Valley Road, Litz, Pennsylvania 17543, or their successors in title, whose names are listed in the attached Exhibit "A" as Lessors, have prior to the date hereof, leased certain tracts of land for oil and gas purposes; and

WHEREAS, VICTORY ENERGY CORPORATION, of 220 Airport Road, Indiana, Pennsylvania, 15701, (hereinafter referred to as Lessee), is the owner as Lessee or Assignee of the Oil and Gas Leases covering the tracts of land described in the leases listed on Exhibit "A", and

WHEREAS, under the provisions of each of the leases listed in Exhibit "A", Lessee has the right and authority to pool and unitize all formations of oil and gas, under all or any part of the land described in said leases with any other lease or leases, land or lands, mineral estates or any of them whether owned by the Lessee or others, so as to create one (1) or more drilling or production units consisting of the combined areas thereof as designated by said Lessee; and

WHEREAS, said leases provide that upon exercising said right and authority there shall be executed and filed for record in the county wherein the leased premises are located, a copy of the Unit Operation Designation.

NOW THEREFORE, Lessee has elected to pool and unitize all formations of oil and gas, in and under all or a portion of the leases listed in Exhibit "A", which is attached hereto and made a part hereof, into a drilling or production unit, wherein the leases or portions thereof combined into such a unit are designated by reference to name or title of unit, formation, county and state, lease number, date of lease, name and Lessor of farm, township, recorder's book volume and page, leased acreage, and unitized acreage

IN WITNESS WHEREOF, Lessee has caused the due execution of this instrument as a formal declaration and designation that leases listed and described in the attached Exhibit "A" as to the respective tracts or portions thereof pooled or unitized, and as to the oil and gas in the formations named, are hereby combined, pooled, and unitized, so as to create one (1) drilling or production unit, as such term is used in said leases, this 15th day of November, 2008.

| <input type="checkbox"/> UNCORRECTED (if checked)   |  | Date Recd. 10-16-1970   |                         |
|---|--|-------------------------|-------------------------|
| PAYEE'S name, street address, city, state, ZIP code, and telephone no.<br>MOJOS OPERATING LLC<br>721 Justin Road, Suite 101<br>Rockwell, TX 75087<br>(409) 721-2046 |  | 1 Name                  | 2 Social Security no.   |
|   |  | 3 Residence             | 4 Date of birth         |
|   |  | 5 Other address         | 6 Date of death         |
| PAYOR'S Place of Employment<br>None   |  | 7 Filing last previous  | 8 Filing last previous  |
| PAYOR'S Identification Number<br>28-3851334   |  | 9 Filing last previous  | 10 Filing last previous |
| ACCOUNT'S name<br>RUSSELL B. TODD   |  | 11 Filing last previous | 12 Filing last previous |
| Other address (including alt. no.)<br>10915 WEST SEAGRAM DRIVE<br>SAN ANTONIO, TX 78204   |  | 13 Filing last previous | 14 Filing last previous |
| Other name (last, first, middle)<br>RUSSELL B. TODD   |  | 15 Filing last previous | 16 Filing last previous |
| Other name (last, first, middle)<br>RUSSELL B. TODD   |  | 17 Filing last previous | 18 Filing last previous |
| Other name (last, first, middle)<br>RUSSELL B. TODD   |  | 19 Filing last previous | 20 Filing last previous |



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| CONTACT | DISCOVERY PROSPECTS | PIPELINES/TRANSPORT | CONTACT |
|---------|---------------------|---------------------|---------|
|---------|---------------------|---------------------|---------|

# NOVUS Exploration, LLC

## CORPORATE OFFICE:

Novus Exploration, LLC  
2883 Roger Drive  
Houston, Texas 77059

## DRILLING OPERATIONS:

Novus Operating, LLC  
Principal Tony Bellina  
Chief Operating Officer  
TonyB@novusoperating.com  
409.721.3054

## EXPLORATION:

Novus Exploration, LLC  
Principal Bill Baker Jr.  
President

# CONTACT

Although Victory/Mega Energy will continue to be involved in the development of the natural gas in your area, Tenaska/Novus will help us move the project forward. Tenaska/Novus will assume a leadership role and serve as the operator. These companies have committed extensive resources to this area and it is in their best interests to have solid, productive, successful wells. As you are aware, this is also in your best interests. It will take a team effort to drill the wells, free the wells and secure the necessary pipeline right-of-ways to transport and produce the natural gas. We need the help and cooperation from all the landowners in the area to make this project a success.

Thank you in advance for your willingness to work with Victory/Mega Energy through the years. I appreciate your confidence and cooperation. I am excited about the future as we all move forward in this new partnership. We are committed to making this a successful project for all of us.

Sincerely,

Victory Energy Corporation

*John A. Doverspike*  
John A. Doverspike  
President

4066010



## VICTORY ENERGY CORPORATION

220 Airport Road  
Indiana, PA 15701

Telephone: (724) 349-6366  
Fax: (724) 349-6649

E-Mail: victory@victoryenergycorp.com

August 15, 2009

PATRICIA ANN MILNE  
104 HOFFMAN DRIVE  
WEBSTER, NY 14580

RE: Update--Gas Well Development Plans

Dear Landowner (Lessor),

This letter is to inform you that we are moving forward and plan to drill additional wells in the Brookfield Township area in the near future. In this regard, I am delighted to report that Victory/Mega Energy has been able to partner with Tenaska and Novus companies to assist with the development process. Tenaska is a large mid-stream company that brings extensive pipeline expertise and financial resources to the effort. Novus brings years of drilling and completion knowledge from its experience with drilling the Barnett Shale formations in Texas. In addition, Tenaska/Novus is currently completing several Marcellus wells in West Virginia. This partnership should allow us to move forward aggressively in drilling and completing wells in your area.

As some of you are aware, we drilled the Brookfield #1 well located on the Brookfield property, along North Road. As an update, please be aware that we have applied for a permit with the Susquehanna River Basin Commission (SRBC) in order to acquire the proper permits to free the Marcellus formation in the Brookfield #1 well. The permitting process can and has been quite lengthy. However, we feel the permit should be approved in less than a month. When the permits and approvals are in place, the Marcellus freeing process will begin.

Unfortunately, natural gas prices are quite low at the moment. Therefore, the incentive to drill is lessened. However, our goal is to drill several successful wells early in the process in order to pay for the necessary upfront costs. As we drill the area, we also look forward to paying substantial royalties to the landowners involved with these properties. I appreciate the working relationship we have developed through the years and appreciate your confidence and patience as we strive to bring this project to fruition.



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220 Airport Road  
Indiana, PA 15701

Telephone: (724) 349-6366  
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E-Mail: victory@victoryenergycorp.com

February 16, 2009

Patricia Ann Milne  
104 Hoffman Drive  
Webster, NY 14580

RE: DRILLING AND PIPELINE UPDATE

Dear Landowner (Lessor):

The purpose of this correspondence is to provide an update of past and future drilling and development operations in the area of your leasehold. On March 3, 2003, Victory Energy Corporation drilled the Fisher #1 natural gas well which was located in Seneca County, New York near the TONYT Ego. Unfortunately, this well was not successful, so we plugged it and continued our efforts to develop gas in the area by drilling the Snyder #1, Heminger #1 and Rutherford #1 wells. They also were unsuccessful (except for the Rutherford #1, which produced gas for a few months before going dry). Although we were discouraged with the results, Victory partnered with another company to drill the Cook #1, Carpenter #1, and Zink #1 wells. The Cook #1 and Carpenter #1 have produced gas over the past several months with the Zink #1 scheduled to be coming into line in the near future. All these wells are located just across the Pennsylvania line a short distance into New York.

We began drilling the Brookfield #1 well on August 6, 2003, in Tioga County, Brookfield Township, Pennsylvania. We will take the necessary steps to produce the Marcellus Shale formation in this well as soon as we receive the local approvals from the Department of Environmental Protection (DEP) and the Susquehanna River Basin Commission (SRBC). The SRBC controls water usage for gas well drilling and completion in the region. We are currently in the process of getting approval to transport the water that will be used to complete the well to a water treatment facility located in the Village of Wellsville, New York. Once all approvals are granted from the DEP and SRBC, we can move forward with the completion of the Brookfield #1 well. I am encouraged to inform you that we have acquired all of the right-of-ways needed in order to construct a pipeline to the Brookfield #1 well so that we can sell the gas once it is completed. Landowners in the area seem to recognize the benefit to all and have been willing to work with us in developing the pipeline system.

The current economic crisis has slowed drilling development plans to some extent. The downturn has reduced demand, resulting in falling prices. Last year's prices were in the \$9.00/mcf range, and this year's prices are in the \$4.50/mcf range.

Regardless, Victory remains committed to the development of your area and we are moving forward with our development plans which include continued drilling and pipeline construction to fully develop the natural gas reserves in the Troupsburg/Austisburg area. Thank you in advance for your cooperation in working with us to accomplish our mutually beneficial development goals.

Sincerely,

*John A. Doverspike*  
John A. Doverspike  
President/Owner



# VICTORY ENERGY CORPORATION

220 Airport Road  
Indiana, PA 15701

Telephone: (724) 349-6366  
Fax: (724) 349-6649

E-Mail: victory@victoryenergycorp.com

December 2, 2008

Patricia Ann Milne  
104 Hefner Drive  
Webster, New York 14580

RE: Gas Well Royalty Division  
Brookfield Unit # 1 well.

Dear Ms. Milne:

Victory Energy Corporation began drilling the Brookfield #1 natural gas well on August 6, 2008. This well is located in Brookfield Township, Tioga County, Pennsylvania. The Commonwealth of Pennsylvania permitted the well to include 320 acres surrounding the well - referred to as the "well unit." The gas well was permitted for drilling to penetrate the Oriskany gas formation, which is located approximately 5,000 feet below the surface. After carefully reviewing the well logs for this well, it was determined that a formation above the Oriskany had greater developmental potential than the Oriskany. Therefore, the decision has been made to complete the Marcellus formation rather than the Oriskany formation.

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In the meantime, a portion of your property has been included in this "well unit." Therefore, upon completion of a successful well, you will be entitled to receive royalty distributions. These distributions are based on the proceeds collected from the sale of the gas from the Brookfield #1 well once production begins. Your percentage of the distribution is based upon the proportionate amount of acreage you own in the total "well unit." Please review the attached "well unit" information for further clarification.

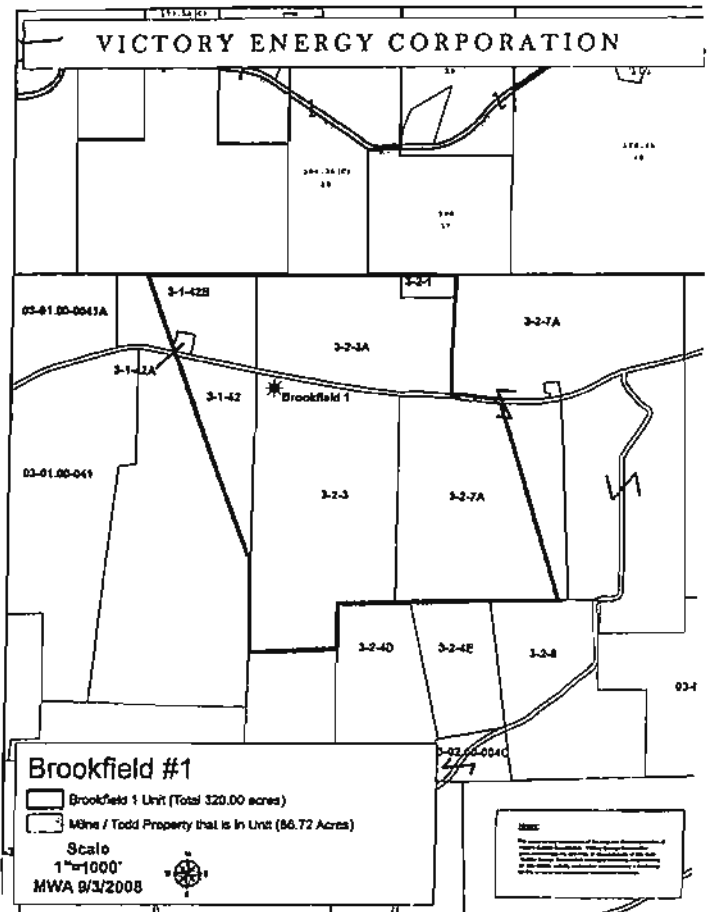
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Thank you for your cooperation in leasing your property with Victory Energy Corporation. We here at Victory are looking forward to a successful well completion and many years of "royalty distributions" from the Brookfield #1 well.

Sincerely,

*Lynn A. Dovenspike*  
Lynn A. Dovenspike  
President/Owner

Enclosure



## UNIT OPERATION DESIGNATION

### BROOKFIELD UNIT # 1

Between:

Brookfield Properties; Susan Geist;  
Timothy Shreiner, Etal; Patricia Milne Etal;  
and Daryl Heller

and

Victory Energy Corporation  
220 Airport Road  
Indiana, Pennsylvania, 15701

DATE: November 15, 2008  
TOWNSHIP: Brookfield  
COUNTY: Tioga

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WHEREAS, VICTORY ENERGY CORPORATION, of 220 Airport Road, Indiana, Pennsylvania, 15701, (hereinafter referred to as Lessee), is the owner as Lessee or Assignee of the Oil and Gas Leases covering the tracts of land described in the leases listed on Exhibit "A"; and

WHEREAS, under the provisions of each of the leases listed in Exhibit "A", Lessee has the right and authority to pool and utilize all formations of oil and gas, under all or any part of the land described in said leases with any other lease or leases, land or lands, mineral estates or any of them whether owned by the Lessee or others, so as to create one (1) or more drilling or production units consisting of the combined areas thereof as designated by said Lessee; and

WHEREAS, said leases provide that upon exercising said right and authority there shall be executed and filed for record in the county wherein the leased premises are located, a copy of the Unit Operation Designation

NOW THEREFORE, Lessee has elected to pool and utilize all formations of oil and gas, in and under all or a portion of the leases listed in Exhibit "A", which is attached hereto and made a part hereof, into a drilling or production unit, wherein the leases or portions thereof combined into such a unit are designated by reference to name or title of unit, formation, county and state, lease number, date of lease, name and Lessor of farm, township, recorder's book volume and page, leased acreage, and unitized acreage

IN WITNESS WHEREOF, Lessee has caused the due execution of this instrument as a formal declaration and designation that leases listed and described in the attached Exhibit "A" as to the respective tracts or portions thereof pooled or unitized, and as to the oil and gas in the formations named, are hereby combined, pooled, and unitized, so as to create one (1) drilling or production unit, as such term is used in said leases, the 15th day of November, 2008

# UNIT OPERATION DESIGNATION

## BROOKFIELD UNIT # 1

### EXHIBIT "A"

ALL FORMATIONS OF OIL AND GAS, BROOKFIELD TOWNSHIP, TIOGA COUNTY, PENNSYLVANIA.

(Unitized acreage is subject to revision by Lessee to conform to title information and exercise by Lessee of its authority to increase or to decrease the portion of leased acreage included in the unit or to exclude it altogether.)

| LESSOR                 | RECORDING DATA | LEASED<br>ACREAGE | ACREAGE<br>IN UNIT | PERCENT<br>OF UNIT |
|------------------------|----------------|-------------------|--------------------|--------------------|
| Brookfield Properties  | 0745-0217      | 178.20            | 178.22             | 55.89%             |
| Susan Geist            | 0766-6281      | 35.50             | 25.90              | 8.09%              |
| Timothy Shreiner, Etal | 0766-2950      | 144.07            | 25.16              | 7.88%              |
| Patricia Milne         | 0766-8800      | 100.00            | 88.72              | 27.10%             |
| Russell Todd           | 0766-8805      |                   |                    |                    |
| Daryl Heller           | 0779-7660      | 4.00              | 4.00               | 1.25%              |
| TOTAL ACREAGE IN UNIT: |                |                   | 320.00             | 100.00%            |